

# **MINUTES**

BUDGET & FINANCE COMMITTEE  
CITY OF BRANSON, MISSOURI  
May 28, 2015

**1) Call to Order.**

The meeting of the Budget & Finance Committee was held in the Municipal Courtroom of City Hall, Thursday, May 28, 2015 at 2:30 p.m. The meeting was called to order by Mayor Karen Best.

**2) Roll Call.**

Members present: Mayor Karen Best, Alderwoman Cris Bohinc, City Administrator Bill Malinen, Rod Romine and Pamela Yancey. Members absent: Alderman Patrick Parnell

Also present: Finance Director Jamie Rouch, Stacy McAllister, Carl Garrett; Benjamin Hart of Allen, Gibbs & Houlik, L.C.

**3) Regular Reports.**

**a) Minutes of April 23, 2015.**

Alderwoman Cris Bohinc moved to accept the minutes of April 23, 2015, seconded by Bill Malinen. Motion carried.

**b) Monthly Sales & Tourism Tax Reports.**

Carl Garrett reported that though sales tax receipts for May are down 7.4%, year-to-date receipts are up 5.8%. He explained that May receipts last year were particularly high and compared to prior years May's receipts have grown. Tourism tax receipts were up .6% for April receipts and up 9.5% year-to-date. A preliminary report for May receipts indicates a 10% increase, or a 9.8% increase for the year.

Carl summarized the Rolling 12 Report for the committee. February saw growth of just under 1%, with an annual growth of 3.8%.

**c) Financials.**

**i) Monthly Unaudited Financials – April 2015.**

Finance Director Jamie Rouch reported that revenues have continued to be up while expenditures are down. She further explained on the Convention Center Fund that the operating transfer has already been met, but that is due primarily to the way the convention and event season falls in the calendar year. She explained the increased revenues in the Water & Sewer Fund are largely due to the rate increases as of January 1 of this year, and expenditures continue to be down. She cautioned it is still early in the year and she will better gauge how the city is doing to budget as the summer season progresses.

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**ii) Cash Reconciliation & Balance Sheet.**

Jamie briefly explained that the cash reconciliation and balance sheet shows that what is actually in the bank is the same as what is being reported in the financials. She informed the committee that the General Fund reserve ended at 29% for 2014.

**4) Review of Disbursements & Approval of Disbursements \$50,000 & over.**

**(April 18, 2015 – May 22, 2015).**

Disbursements were acknowledged as presented. Rod Romine moved to accept the disbursements, seconded by Alderwoman Cris Bohinc. Motion carried.

**5) Presentation of the 2014 Audit Report by Allen, Gibbs & Houlik, L.C.**

Jamie introduced Benjamin Hart of the auditing firm Allen, Gibbs & Houlik, L.C. (AGH) located in Wichita, Kansas. Ben added that this was the first year that his firm provided auditing services to the city, and that due to this fact there was a tremendous amount of work to be done by both parties. He praised city Finance Department staff for their work and noted that this is the only city his firm works with that is able to build a CAFR. Interim work was started on January 26<sup>th</sup>, while AGH staff began field work on March 30<sup>th</sup>. He explained his firm's responsibility was to express an opinion as to whether financial statements are fairly represented and give an opinion of their accuracy. He added that though the report is not finalized, he does not anticipate any changes to the document and that he anticipates delivering an unmodified opinion, which is the highest opinion that can be given. In addition to the city's audit, his firm also completed an audit for the Community Development Block Grant which had compliance requirements. Ben informed the committee that this audit, also, will have a clean opinion.

Ben began an overview of the documents his firm had provided for the committee. The first document provided is the Required Communications, or governance letter. He explained that there were no adjustments, no alternative treatments and no unusual transactions. Next, Ben discussed the letter addressed to City Administrator Bill Malinen which listed deficiencies his firm did not classify as significant or material. The deficiencies listed were related to segregation of duties for Municipal Court clerks, Utility clerks and the Branson Convention Center (BCC).

Ben cited specific concerns regarding the staff at the BCC and whether they were provided enough support with staff that understands GAAP accounting. He noted that many times City of Branson Finance Department staff had to make corrections before they could be recorded on the general ledger. The city would see a reduction in hours city staff spends combing through the data if BCC staff were more knowledgeable in GAAP accounting principles.

Ben concluded his report by overviewing GASB 68, which requires the recording of governmental pensions on financial statements. He explained that the issue with the new rule is that because the pensions will be recorded as a liability, it will affect the city's net position.

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This could potentially change the city's bond rating, however, he added that many bond rating agencies already take pensions into account.

**6) Finance Director's Report.**

Jamie had no other reports to give to the committee, but did inform them that she and Stacy McAllister would be attending a Government Finance Officers Association (GFOA) conference in Philadelphia the next week and would give a report at the next meeting.

The committee rescheduled the July 23, 2015 Budget & Finance Committee meeting from 2:00 p.m. to 11:00 a.m.

**7) Adjourn.**

The meeting adjourned on a motion by Alderwoman Cris Bohinc, seconded by Rod Romine. Motion carried.